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ABSTRACT

There is a need for a stronger program of consumer studies in California's schools, and each year this need becomes more pressing. It is a confusing time for the American consumers; complex products are frequently hard to evaluate, and the nature of the marketplace is impersonal. According to a study released by the U.S. Office of Education, more than 23 million American adults, one in every five, lack the basic know-how to function effectively in society. This ignorance demonstrated by adult consumers can be traced to the lack of proper preparation during their school years. Even though curriculum guides and programs are available for school use, many elect not to make full use of these resources. Parents have expressed the desire that their children have greater consumer skills. Some California schools do teach consumer education, and many states have mandated consumer education for their schools. It is recommended that California also mandate consumer education for its schools so that its citizens can have the best possible preparation in dealing with the complexities of today's marketplace.
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Why Consumer Education Should be Required for California High Schools Students

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1979

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ABSTRACT

This pamphlet presents evidence which documents the need for a stronger program of consumer studies in California's schools. The ignorance demonstrated in the marketplace by adult consumers today can be traced to the lack of proper preparation during their school years. Even though curriculum guides and programs are available for use by school districts, many elect not to make full use of these resources. Parents have expressed the desire that their children have greater consumer skills, but most school districts ignore these wishes. Other states have been successful in requiring consumer education courses for high school graduation. Can California do less for the people of her state? The Association of Consumer Educators (ACE) stands ready to assist in the implementation of new consumer courses. Let us join together in helping to assure that our citizens have the best possible preparation in dealing with the complexities of today's marketplace.

IS CONSUMER EDUCATION NEEDED TODAY?

Consumer Education is an imperative need for every young person in America. The National Association of Secondary School Principals recognized that fact a generation ago, and with every year that has passed, the need has become more pressing as well as more obvious.

It is a confusing time for the American consumer. He is often lost in the perplexities that have resulted from our progressive economy. Products are more complex and are frequently hard to evaluate or repair. It may be difficult for the consumer to obtain remedies or to resolve a problem which he feels is not justifiably of his own making.

In addition, our population is more mobile. Consumers have less opportunity to know the firm with whom they trade or may be miles away when a question or a problem arises.

The marketplace is more impersonal today; many consumers feel intimidated by modern marketplace operations. It is not always easy to determine who is responsible for a problem or to know where to go for help. Neither is it always easy to distinguish between honest and reputable practices in the marketplace and those that are unethical and fraudulent. Total consumer losses as a result of fraud and deception are estimated to be in the billions of dollars.

A good deal of today's education is based on subjects that have little relevance to student lives. It seems to make little sense to teach someone the finer points of algebra when they don't know how to figure interest rates or to compute the lowest price of a product. Yet, this seems to be how much of our educational system is oriented.

One former student's reaction to this kind of education is illustrated by the following letter to a high school principal:

REACTION OF FORMER STUDENT

I want to know why you and your teachers did not tell and teach about life and the hard, critically practical world. . .

I am a husband and a father working blindly from a high school intellectual to a respectable self-supporting voting citizen of the community. In this transition I am beginning to get an upper hand on the lower rung of the ladder of life for which education never prepared me a whit.

I wish I had been taught more about family relationships, child care, getting along with people, interpreting the news, paying off a small mortgage, household mechanics, politics, local government, the chemistry of food, carpentry, how to budget and live within the budget, the value of insurance, how to figure interest when borrowing money and paying it back in small installments, how to enjoy opera over the radio, how to detect shoddy goods, how to distinguish a political demagog from a statesman, how to grow a garden, how to paint a house, how to get a job, how to be thrifty, how to resist high-pressure salesmanship, how to buy economically and intelligently, and the danger of installment buying! 1

ADULTS LACK BASIC LIFE SKILLS

More than 23 million American adults, one in every five, lack the basic know-how to function effectively in society, according to a study released by the U.S. Office of Education.

"It is surprising, perhaps even shocking", the report said, "to suggest that approximately one of five Americans is incompetent or functions with difficulty and that about half of the adult population is merely functional and not at all proficient in the necessary skills and knowledges."

Almost 30 per cent or 34.7 million persons from 18 to 65 years of age flunked consumer economics and 39 million others were "functional but not proficient in such tests as reading a newspaper grocery ad." [2]

THE NEED FOR CONSUMER EDUCATION

Today's consumers buy, enjoy, use and discard more types of goods than could possibly have been imagined even a few years ago. Yet, too often consumers have no idea of the materials that have gone into the manufacturer's finished product or their own motivation in selecting one product over another. For example, despite the abundance and variety of food available to them, American consumers are selecting poorer diets today than in the past. A national survey of household food consumption in 1965 found that only 50% of families had good diets in that year compared with 60% in 1955.[3]

Other studies demonstrate similiar performances by today's consumer. For instance, surveys indicate that:

---most families do not have a family spending plan. [4]

---about 39 per cent of all debtors describe themselves "in some trouble" because of too much credit. [5]

---over one-half of all food purchases are the result of impulse buying. [6]

---couples quarrel most frequently over money. [7]

---few consumers can accurately determine the most economical size of a product. [8]

---most consumers can't balance their checkbooks correctly. [9]

---many people have difficulty figuring out their income taxes correctly. Some 45 per cent could not read a federal income tax form correctly and compute their taxes. [10]

"Up to 20 per cent of California's income is wasted because of lack of knowledge and poor decisions in food, clothing and home purchases," says Ann L. Burroughs, who heads the University of California's cooperative extension program in family and consumer science.

Here are some of the examples she uses:

---Californians spend 10 per cent of their income for clothing and textiles and half of the items purchased are not worn because of poor choice of color, design or fit.

---Studies show that among middle-income families, some 20 per cent more money is spent on food than is necessary.

---Illnesses transmitted by food, for instance, sicken 10 per cent of California's population each year--illnesses ranging from salmonella, to "staph" to botulism to so-called "stomach flu".

---One survey showed that 94 per cent of the female teen-agers who shop for food for their families said taste and quality were the most important factors in making their selections--significantly omitting both price and nutrition.

---About a fifth of California's children show signs of inadequate growth because of inadequate diets.

ARE OUR SCHOOLS PROVIDING STUDENTS WITH BASIC LIFE SKILLS?

Our students are being short-changed during their years at school. We fail to motivate them and fail to provide instruction in real-life problems. We give them almost no strategies for dealing with the political economy as consumers and citizens.

Most schools have treated consumer education as a frill rather than as a true academic discipline. Yet nothing is more basic to the educational process or more meaningful to students' lives. The subject covers a group of skills, concepts, and understandings as essential to effective functioning in our society as either reading or math and with elements common to both of them. In addition, consumer education embodies a large variety of distinctly different skills, many of which are quite complex and require a discerning, critical mind.

Although they will spend a large part of their lives involved in consumer activities during 12 years of schooling most students are taught very little that will help them deal effectively with the marketplace. They know nothing about the insurance or banking industries. They are not taught how to handle their own money or to protect their own health. And they don't know how to deal with their consumer rights: where to go to have their grievances resolved or how to get information. Worst of all, they don't even know what questions to ask.

For example, recent studies of high school students demonstrate that:[11]

---Less than half of youths could determine unit pricing.

---Only 1% of 17-year olds could balance a checkbook.

---Only 10% of 17-year olds could correctly calculate a taxi fare.

---65 to 93% of 12th graders failed to answer 65 per cent of questions correctly in such areas as legal concepts, recordkeeping, buying and management.

---A majority of 17-year olds did not understand inflation as it applies to home ownership.

---A majority of 17-year olds wouldn't complain if the store did not have the advertised product.

---Some 53% of 17-year olds did not understand what the Better Business Bureau does.

---A total of 50% of 17-year olds thought it illegal to keep unordered merchandise.

---One-third of 17-year olds thought renters could deduct their rent from income tax.

---Only 37% of 17-year olds knew that merchants pay banks a charge on each credit card purchase.

---55% of 17-year olds thought that renters were covered under a landlord's fire insurance policy.

---57% of 17-year olds believe that it is not legal for supermarkets to raise prices on days when welfare checks are issued.

---A total of 43% of the 17-year olds mistakenly believe it is legal to advertise the price of an automobile and the monthly installment without including the credit terms.

---A majority of 17-year olds thought Better Business Bureaus were an arm of the federal government.

Among college students, the results weren't much better. In a 1978-79 survey of 750 students at Purdue University, it was found that a majority of students:

---Never use a budget.

---Did not know how to reconcile a checking account.

---Did not know key terms in credit insurance policies.

---Did not know how to fill out a simple tax return.

In a 1975 study of over 500 Florida high school students by David Graf, he found that: [12]

---Only 27% of students could identify "bait and switch" advertising.

---More than two-thirds did not realize you could appear in small claims court without an attorney.

---Only one-third knew that door-to-door sales contracts could be cancelled within three business days.

---As few as 15% knew that credit bureaus keep files on people for business firms who are members of the bureau.

DO PARENTS WANT CONSUMER EDUCATION FOR THEIR CHILDREN?

Yes. A Lou Harris Poll taken in late 1976 found that 92 per cent of Americans believe that consumer affairs should be a compulsory subject in all high schools.

The reason this idea is so universally popular is that almost everyone agrees that students leave high school ill-prepared for their role as consumers, and that the study of consumer affairs would help to remedy this situation.

According to the Harris Poll of 1,510 adults, 32 per cent felt that people are "not at all prepared" as consumers when they leave high school. Another 42 per cent felt that students were "not very well prepared" and some 18 per cent felt they were "fairly well prepared." Only three per cent of adults felt that high school students were "very well prepared" as consumers when they left high school. Another 5 per cent of adults were undecided on the issue.

In a study by the American Council of Life Insurance in 1977 entitled "Monitoring Attitudes of the Public", it was reported that consumerism received the highest support of seven social movements surveyed. The study found that 66 per cent of the public were completely for consumerism, 18 per cent were more for than against and only 4 per cent of the public were completely against with another 3 per cent more against than for. Nine per cent of respondents were undecided or declined to state their attitude.

WILL STUDENTS BE MOTIVATED TO TAKE CONSUMER EDUCATION COURSES?

Yes. Young people want their schoolwork to relate to their lives, and when it does, they snap to attention. Motivation won't be a problem, because young people are interested. After all, they are already consumers. Thus their everyday experiences are relevant for study--watching television, buying stereo equipment, going to a doctor or dentist, applying for after school jobs. In the same way, newspapers, leases, advertisements, contracts, warranties, labels, and eating various types of foods are all aspects of the consumer experience.

WHAT SCHOOLS IN CALIFORNIA REQUIRE CONSUMER EDUCATION?

Azusa Unified
546 S. Citrus Avenue, Azusa 91702 (213) 967-6211

Bellflower Unified
16703 S. Clark Avenue, Bellflower 90702 (213) 866-9011

Hawthorne Elementary
4301 W. 129th Street, Hawthorne 90250 (213) 676-2276

Montebello Unified
123 S. Montebello Blvd., Montebello 90640 (213) 726-1225

Glendora Unified
352 N. Wabash Avenue, Glendora 91740 (213) 963-1611

Pasadena Unified
351 S. Hudson, Pasadena 91109 (213) 795-6981

Centinela Valley Union High
12227 S. Hawthorne Way, Hawthorne 90250 (213) 970-7000

Glendale Unified
223 N. Jackson Street, Glendale 91206 (213) 698-8121

ABC Unified
16700 S. Norwalk Blvd., Cerritos 90701 (213) 926-5566

Huntington Beach Union High
5201 Bolsa, Huntington Beach 92647 (714) 898-6711

Orange Unified
370 N. Glassell Street, Orange 92666 (714) 997-6100

Garden Grove Unified
10331 Stanford Avenue, Garden Grove 92640 (714) 638-6000

Tustin Unified
300 South "C" Street, Tustin 92680 (714) 544-7550

Perris Union High
27120 Shadel Road, Sun City 92381 (714) 657-5138

Moreno Valley Unified
1391 Perris Blvd., Sunnymead 92388 (714) 653-8441

San Juan Unified
3738 Walnut Avenue, Carmichael 95609 (916) 484-2011

Sunnyvale Elementary
750 E. Argues Avenue, Sunnyvale 94086 (408) 736-4981

Fullerton Joint Union High
2600 E. Nutwood Avenue, Fullerton 92631 (714) 879-4451

Sweetwater Union High
1130 Fifth Avenue, Chula Vista 92011 (714) 425-1700

Palos Verdes Penninsula Unified
38 Crest Road, West, Rolling Hills 90274 (213) 377-1511

WHAT STATES HAVE MANDATED CONSUMER EDUCATION FOR THEIR SCHOOLS?

A total of 18 states require a "program" in consumer education extending from grades K-12 in eleven states, from grades 8-12 in one state and from grades 9-12 in seven states. In addition, another seven states require a consumer oriented course for their high school students.

States requiring an interdisciplinary program in consumer education include:

Grades K-12	Grades 8-12	Grades 9-12
Florida	Illinois	Delaware
Hawaii		Georgia
Kentucky		Iowa
Mississippi		Oregon
Missouri (K-8)		Utah
Nevada		Wisconsin
New Jersey		
New Mexico		
North Carolina		
Oklahoma		
Texas		

States requiring a high school course in consumer related areas include:

Free Enterprise	Economics	Consumer Education
Arizona	Alabama	Idaho
Louisiana	South Carolina	Oregon
Tennessee		

WHAT IS CALIFORNIA'S POLICY TOWARD CONSUMER EDUCATION?

California does not require a program in consumer education nor even a course in consumer education for any grade

The most that California does is recommends that all school districts and county boards of education "place a high priority on programs of consumer education." This was made official by a joint resolution of the California Legislature in 1973.

WHAT IS RECOMMENDED FOR CALIFORNIA SCHOOLS?

It is urged that the following be added to the California Education Code:

Section _____ . Consumer Education. Every public high school shall provide instruction in consumer education as part of one or more courses. Such courses shall be developed by the school district in which the school is located and be approved by the State Superintendent of Public Instruction. Instruction in consumer education shall include, but not necessarily be limited to, the subject areas of credit and banking, buying goods and services, legal rights and responsibilities, insurance, health and nutrition, budgeting and family finance, housing and investments.

FOOTNOTES

1. The Bulletin of the National Association of Secondary School Principals, National Education Association, Washington, D.C., October 1960, pp. 153-154.
2. The Adult Functional Competency Study, U.S. Office of Consumer Affairs, Washington, D.C., 1975.
3. An Approach to Consumer Education for Adults, U.S. Office of Consumer Affairs, January 1, 1973, p. 2.
4. C. Robert Pace, They Went To College, The University of Minnesota Press, Minneapolis, 1941.
5. Mary E. Ryan & E. Scott Maynes, "The Excessively Indebted: Who and Why", The Journal of Consumer Affairs, Winter 1969, pp. 107-126.
6. Arch W. Troelstrup, The Consumer in American Society, Fifth Edition, p. 216.
7. University of Pennsylvania study reported in Changing Times, October 1966, pp. 21-22.
8. Consumer News, August 1, 1975.
9. Ibid.
10. Ibid.
11. Teenage Consumer: A Profile, Denver, Colorado; National Assessment of Educational Progress, 1979. Report prepared for the Department of Health Education and Welfare, Report No. 09-CN-01.
12. David Karl Graf, "Construction and Validation of a Standardized Test to Assess Subject Matter Achievement in Consumer Education", Ph. D. Dissertation, University of North Dakota (Grand Forks), 1975.